



OUTLOOK

February 2018



Focusing on Retirement Issues for Massport Employees Past and Present

Divorce and Your Massport Pension

While certainly not as inevitable as death and taxes, divorces do happen. If you're either contemplating divorce or in the process of going through one, there are some things you should know about how your Massport pension benefit could be impacted.

As part of the divorce process you and your spouse will need to work through, and a court will need to approve, how your marital assets are to be divided. The value of your Massport pension, either current or future, and your retirement annuity savings account should be included as an asset and listed on your Financial Statement. This is something you'll need to prepare as part of the divorce process in Massachusetts.

If it is determined that your pension is to be divided in some way between you and your ex-spouse, a Domestic Relations Order (DRO) will need to be drafted and approved in court. A DRO is a legal document that is separate and distinct from a divorce agreement. Like the divorce agreement it also must be signed by a probate judge. A DRO essentially tells the retirement board how the court wants the pension divided. The DRO will define what happens to the distribution of benefits if you either leave service or die prior to retirement. It also defines how pension benefits are divided when you retire and what happens to these benefits when you die.

A DRO must also conform with Massachusetts General Law (MGL)

Chapter 32, which is the state retirement law for public pensions. A DRO cannot create a benefit that is not otherwise provided in Chapter 32.

To assist members and their divorce lawyers with regard to the intricacies of drafting a DRO, we have a fact sheet and DRO sample we can provide upon request. Over the years we've reviewed DROs for many members and have some suggestions on how to make for a smooth DRO process.

Some Tips to Help Smooth the Process

- Consult with a lawyer familiar with public sector pensions in Massachusetts. While we are happy to work with members and their lawyers, our role is limited to reviewing DROs to determine whether or not we can administer



them as written. We are in no way able to advise or counsel members, ex-spouses or their lawyers with regard to the terms of a DRO.

- If you have limited years of creditable service or you have other significant assets, you may want to try to substitute another asset for the pension. This will eliminate the need for a DRO.
- If you are required to implement a DRO, make sure you understand the process and documents required with regard to the division of your pension.

— continued on page 4

More inside . . .

- page 2: 2018 Deferred Comp Limits
- page 2: Contributions are Deductible
- page 2: Annual Member Statements
- page 3: Turning 59½/No State Tax on Pensions
- page 4: Self-Service Portal
- page 5: 2018 Tax Law Changes/Calendar/Transitions
- page 6: Web Watch



Find us online! Simply go to <http://retirement.massport.com>.

Deferred Comp Limit Increases for 2018

If you contribute the max to the SMART Plan, please note the limits have increased for calendar year 2018.

Annual Limits

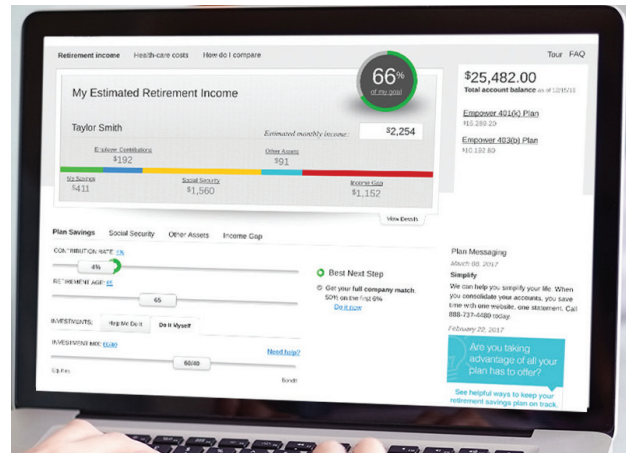
The 2018 maximum contribution is \$18,500, up from \$18,000 last year.

Age 50 and Over Catch-up

If you are, or become, age 50 in 2018 you may contribute an additional \$6,000 for a total of \$24,500.

“Special Catch-up” Provision

If you contributed less than the maximum at any point in the past, you may be eligible for a “Special Catch-up” program. Under the “Special Catch-up” you can contribute a maximum of \$37,000 (\$18,500 plus an additional \$18,500) in



2018, up from \$37,000 last year. Please contact our SMART Plan representative, Rich Carty, at (857) 939-6185 or Rich.Carty@empower-retirement.com for details.

2018 Employer Match

The Authority will continue the deferred compensation match program in 2018 and will match up to \$3,000 in eligible employees' contributions to the 457

deferred compensation plan. Distributions are made approximately two and a half weeks after the end of each quarter. The 2018 match schedule is: April 13th, July 13th, October 12th, and December 28th. Quarterly match amounts are reported and can be verified on both your weekly paystub or direct deposit notification and quarterly Empower-Retirement statements.

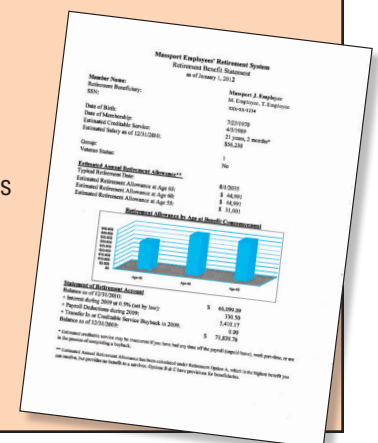


We're Deductible!

Did you know that contributions you've made to the Massport Employees' Retirement System are deductible on Massachusetts state tax returns? Line 11a on the state's Form 1 allows you to deduct up to \$2,000 for contributions to Social Security, Medicare or Massachusetts retirement systems. You can find your total contribution on your pay stub dated December 29, 2017. Don't miss out!

Annual Member Statements

We're in the process of completing our 2018 active member statements which will be mailed to you in April. These statements include retirement allowance projections at three ages in addition to the standard beneficiary, account balance and current year contributions and interest information. Please contact the retirement office if you have any questions regarding your statement.



Retirees turning age 59½

Those of you who retired from Massport before the age of 59 will receive two 1099R forms for the tax year in which you turn age 59½. Per IRS rule, we are required to identify and separate out pension payments you receive both before you turned 59½ and after. This rule only applies for the tax year in which you turn 59½.

Each 1099R form will be different and you will need both forms when filing your taxes for that

year. One form will reflect pension payment amounts for the months before you were 59½ and Box 7 of this form will indicate a distribution code of 2. The other form will reflect pension payment amounts from the month you turned 59½ on and this form will show a distribution code of 7 in Box 7.

If you have any questions, please contact the retirement office at (617) 568-3951.



This rule only applies for the tax year in which you turn 59½.

Attention Snowbirds!

If you're headed to a sunnier destination for the winter, be sure to notify the Massport retirement



office of your address change to ensure timely delivery of retirement mailings!

For your security, we require you send us written notice of your address change. Please call the retirement office at (617) 568-3951 to request an address change form or send a note to the Massport Retirement System, One Harborside Drive, Suite 200S, East Boston, MA 02128-2909. You may also send an email to lfullerton@massport.com.

TAX FREE

No State Tax on Pensions

As a reminder, there is no state tax liability for public pensions in Massachusetts. Therefore, your Massport pension is not subject to MA state taxes and you should not be claiming this income on your annual filing. However, if you live outside Massachusetts you could be subject to tax depending on the state in which you reside.

For more information, go to <http://www.retirementliving.com/taxes-by-state>

Retirement Member Self Service Portal

Our Member Self-Service portal is a secure website that will allow active and retired members to review retirement account information and download forms such as address and beneficiary change forms.

Have you signed up?

Online registration is quick and easy! To access member self-service, go to <http://retirement.massport.com>, select “Massport’s Pension Plan” from the menu bar on the left side and then click on the “Member Self-Service” link. Simply click on the “Self Registration” button then enter the information requested to set up your access. Be sure to

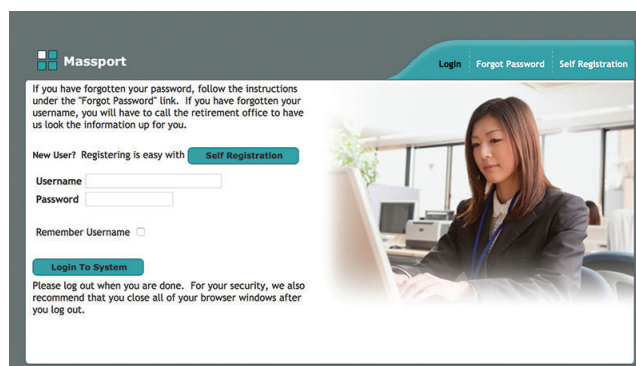
bookmark this website and write down your username and password for easier access.

Active Members

The self-service portal allows active members to run retirement benefit estimates, review service and salary history, annuity savings account balance, and beneficiary information. You may also download forms to change your address or beneficiaries.

Retirees

Retirees can use the self-service portal to review pension payment history, beneficiary, 1099R, and contact information. You may also download your own pension payment and



deduction history for the previous 12 months, and federal tax, direct deposit, and address change forms.

Have Questions or Need Help Getting Enrolled?

Retirement Staff is available to assist you during normal business hours. Contact Laura Barbosa at lbarbosa@massport.com or (617) 568-3903 or Lynn Fullerton at lfullerton@massport.com or (617) 568-3951.

Your Opinion Counts!

To our members who have registered, we hope you are finding this tool useful and your feedback is always welcome. Feel free to drop us a line at retirement@massport.com and let us know what you think!

DIVORCE—continued from page 1

If your divorce agreement specifies that pension assets must be divided by you and your ex-spouse it means that a DRO must be drafted and approved by the court, generally after the divorce process is completed.

- Make sure you fully understand the terms of the DRO. Do you understand how the pension benefits are to be divided when you retire? What does the DRO specify should you either leave Massport employment or

die prior to retirement? Does the DRO define which retirement options you can choose and who your beneficiaries are, if applicable?

- Complete the DRO process as soon as you can after getting divorced. The longer you wait, the harder the negotiation can be. This is especially true if you wait until just prior to your retirement date to finalize your DRO. We often find that members and their ex-spouses assume that because a divorce agreement is

in place and has been approved in court the specifics regarding the division of pension assets is also settled. This is not the case. Until such time as a DRO has been negotiated by the parties, reviewed and deemed to be acceptable by retirement staff and signed by a judge, the matter is not settled.

- Make sure you submit a DRO draft to the retirement board before you ask a judge to sign it. This should be a draft that all parties have agreed to. Retirement will review it

to ensure that it can be administered as written.

Divorces can be stressful enough without the added layer of complexity surrounding your pension as a marital asset and how it should be divided. Do your homework ahead of time and get good advice so this part of the process is as uneventful as possible.

If you have questions or would like additional information, please don't hesitate to contact your retirement staff at (617) 568-3951.

2018 New Tax Law

In December, the President signed the 2018 Tax Cuts and Jobs Act. Included in this legislation are changes to the Federal Payroll tax withholding tables.

The IRS published new tax tables which were applied to your retirement allowance beginning in January 2018. Information



regarding the new Withholding Tables can be found on the IRS website <https://www.irs.gov>.

The new law makes a number of changes for 2018 that affect individual taxpayers. The new tables reflect the increase in the standard deduction, repeal of personal exemptions and changes in tax rates and brackets. Please note that these changes apply to tax years 2018 forward and will not impact your tax filing for calendar year 2017.

As part of the new tax law implementation, the IRS will be issuing new withholding forms. Additionally, to help people determine their withholding, the IRS is revising the withholding tax calculator on [irs.gov](https://www.irs.gov). The IRS anticipates this calculator should be available by the end of February.

If you have questions or concerns regarding how the new tax law may impact your personal financial circumstances, we encourage you to consult with a tax advisor.

TRANSITIONS

We regret to inform you that the following retirees have passed away:

- ☞ John Bowen
- ☞ Frank Nuzzo
- ☞ Joseph Pease
- ☞ Salvador Porras
- ☞ Louis Rossi

CONGRATULATIONS

The following people retired recently and we wish them all the best for a successful future:

- ★ Michael Berardino
- ★ Christopher Bodensieck
- ★ Samuel Brown
- ★ Larry Coleman
- ★ John Crisostamo
- ★ Charles Crowley
- ★ Emerson Cunningham
- ★ John Faro
- ★ Geraldine Foley
- ★ Janet Grogan
- ★ Rita Hannon
- ★ David Keefe
- ★ Gordon King
- ★ Joseph Lawless
- ★ Philip Lynch
- ★ Thomas Moakley
- ★ Ellen Morrell
- ★ Arduino Parravano
- ★ Nilha Saied
- ★ Stephen Sulprizio
- ★ Robert Weiner
- ★ Brad Wellock
- ★ David Wing

CALENDAR

February

19
Presidents' Day
Massport offices closed

22
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

March

11
Daylight Savings Time begins:
Set clocks ahead one hour

16
Evacuation Day observed
(Massachusetts):
Massport offices **open**

17
Happy St. Patrick's Day!

Evacuation Day
(Massachusetts)

20
Spring begins

25
Palm Sunday

29
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

30
Good Friday

Passover begins at sundown

April

1
Easter Sunday

7
Last day of Passover

13
Quarterly employer match to
457 plan

16
Patriots Day (Massachusetts):
Massport offices closed

17
Tax filing day

27
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

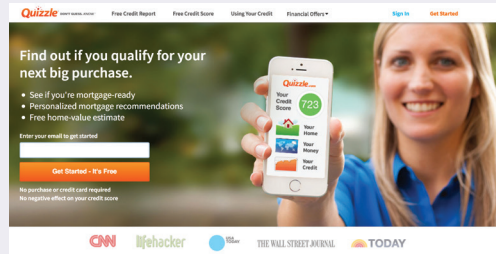
WEB WATCH

For those of you who have access to the Internet, there is a wealth of information to be found there. In this section we highlight web sites and SmartPhone apps that we have found helpful, informative, interesting or just plain fun.

Run Your Own Credit Check

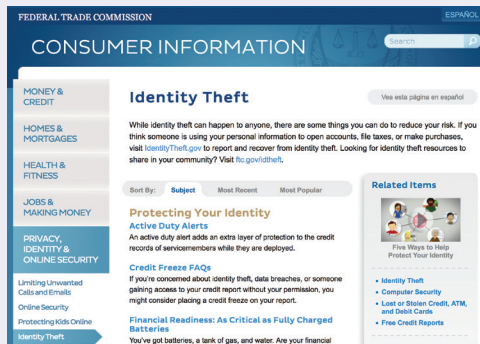
You probably already know that, by law, you can obtain one free copy of your annual credit report from each of the three credit reporting agencies online at www.annualcreditreport.com.

But, did you also know that you can get your free FICO score online as well? Your FICO score is determined by some key information in your credit reports. This score ranges between 300 and 850 and is used by lenders to make credit and loan approval decisions. To get both your free credit report and free FICO score visit www.CreditKarma.com, www.Quizzle.com, or www.CreditSesame.com. No purchase or credit card information is necessary to establish an account!



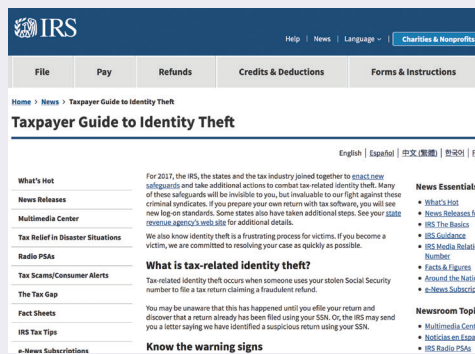
Protect Your Identity

We are all vulnerable to identity theft, as evidenced by the Equifax data breach in 2017 in which more than 140 million individuals' personal data was compromised. The Federal Trade Commission (FTC) has devoted a section of its website to this issue. Here you will find tips



and tools to protect yourself from those looking to commit fraud or theft by exploiting bits of personal information such as your social security number, bank or credit card account numbers. Go to <https://www.consumer.ftc.gov/topics/identity-theft> and learn more about this increasingly common crime and ways to safeguard your identity.

On the heels of the Equifax breach, another threat that has cropped up recently, and is very relevant particularly at this time of year, is tax-related identity theft. This occurs when a thief uses someone else's name and stolen social security number to file a fraudulent tax return claiming a refund. Taxpayers are urged to file their 2018 tax returns sooner rather than later. If you discover you are a victim of tax-related identity theft contact the Department of Revenue for the state in which you reside as soon as possible. For additional information go to <https://www.irs.gov/newsroom/taxpayer-guide-to-identity-theft>.



RETIREMENT BOARD & STAFF

Outlook is published by the Massachusetts Port Authority Employees' Retirement System (MPAERS) One Harborside Drive, Suite 200S, Boston, MA 02128 (617) 568-3951

Managing Editors
Laura S. Barbosa
Irene E. Moran

Design
Colvin/Williams Design

Retirement Board
James S. Hoyte
Chairman
(james.hoyte@gmail.com)

Michael A. Grieco
Vice Chairman

Philip H. Mallett
Elected Member
(pmllett@comcast.net)

John P. Prankevicius
Treasurer-Custodian
(ex-officio)

Betsy Taylor
Elected Member
(betsytaylor31@gmail.com)

Retirement Office Staff
Irene E. Moran
Director of Retirement
(imoran@massport.com)

Laura S. Barbosa
Retirement Member Services Specialist
(lbarbosa@massport.com)

Nancy Bournival
MPAERS Controller
(nbournival@massport.com)

Lynn Fullerton
Retirement Board Coordinator
(lfullerton@massport.com)

View past issues of *Outlook* at <http://retirement.massport.com>